



Council Newsletter

Provided to the Tigard City Council on a weekly basis to stay abreast of current city issues.

April 6, 2012

1. Joint Beaverton Meeting – April 10

The joint meeting with Beaverton is Tuesday at 6:30 p.m. at the Beaverton Library, 12375 SW Fifth Avenue, Conference Room AB. Packets were in your mailbag last Tuesday night and posted on the city's website.

Cathy said refreshments will be served (cookies and fruit) but you may want to eat dinner beforehand.

Lastly, there are executive session materials in your mailbag for a meeting date not set yet.

2. Tour of CWS Durham Facility

Mark Jockers and Clean Water Services has agreed to a tour of the Durham Rd. plant on Thursday, **May 24, 2012 at/after 5:30 p.m.**

Please save the date on your calendars; Marty and Mark will discuss tour details and provide you with an agenda.

3. Annual Solid Waste Financial Report

Attached is the franchised solid waste haulers report finding for 2011.

4. Tigard SupaFresh & YouthSource

Attached is material regarding the SupaFresh farm project by Durham Elementary. Councilor Wilson, Marty and park staff toured the garden earlier in the week.

5. Oregon Business Magazine Ranks Wealth in Cities

Tigard comes in at #9, Beaverton is #15.

6. News

- ✦ Light rail rebellion is really about other issues
- ✦ *Editorial:* Region must seek new transit options

- ✦ Tigard tree ordinance comes too late for ancient oak

7. Council Calendar

Tuesday, April 10 Joint Council Meeting with City of Beaverton

6:30 p.m. – Beaverton Library
(12375 SW Fifth Ave.)

Tuesday, April 17 Workshop Meeting

6:30 p.m. – Town Hall

Tuesday, April 24 Business Meeting

6:30 p.m. – Town Hall

Budget Committee Hearing Dates:

Monday, April 23 @ 6:30 p.m. – PW Auditorium

Monday, April 30 @ 6:30 p.m. – PW Auditorium


Monday, May 7 @ 6:30 p.m. – PW Auditorium

Monday, May 14 @ 6:30 p.m. – PW Auditorium



City of Tigard Memorandum

To: The Honorable Mayor and City Councilors
City Manager Marty Wine

From: Public Works Director Dennis Koellermeier 

Re: Annual Solid Waste Financial Report Finding for 2011

Date: April 4, 2012

As required by Tigard Municipal Code (TMC) Chapter 11-04-090, Tigard's two franchised solid waste haulers have submitted their annual financial reports for the calendar year ending December 31, 2011.

The TMC requires the council be provided with an aggregate report summarizing the franchisee reports and recommendations on rate adjustments based on Resolution No. 01-54-A. This resolution sets a target, aggregate profit rate of 10 percent and calls for the council to consider a rate adjustment if the profit rate falls below 8 percent or exceeds 12 percent.

The aggregate financial report is attached and shows a profit rate of 9.48 percent. Based on the resolution, the aggregate profit rate is within the resolution set target percent; staff is not recommending a rate adjustment this year.

Attachments:

1. Aggregate Financial Report for 2011
2. Resolution No. 01-54-A

City of Tigard
Franchised Solid Waste Haulers Financial Reports
For Year ended December 31, 2011
(Aggregate Report)

	Calendar Year 2011	Direct Labor Hours	Indirect Cost
Total Indirect Costs -----			\$1,298,949
<u>Drop Boxes</u>			
Operating Revenue	\$2,055,062		
Operating Costs	\$2,009,653	7,201	\$236,744
Net Income	\$45,409		
	2.21%		
<u>Can/Cart Services</u>			
Operating Revenue			
Residential	\$3,276,465		
Multi-Family	\$12,412		
Commercial	\$141,036		
Operating Costs	\$1,859,400	7,933	\$263,409
Net Income	\$1,570,513		
	45.79%		
<u>Container Services</u>			
Operating Revenue			
Residential	\$33,195		
Multi-Family	\$695,271		
Commercial	\$2,566,089		
Operating Costs	\$2,220,281	7,523	\$253,159
Net Income	\$1,074,274		
	32.61%		
<u>Recycling Services</u>			
Operating Revenue			
Residential	\$1,425		
Multi-Family	\$0		
Commercial	\$315		
Bin/Cart Recycling	\$159,040		
Container Recycling	\$179,587		
Operating Costs	\$1,714,811	13,096	\$437,172
Net Income	(1,374,444)		
	-405.89%		
<u>Yard Debris</u>			
Operating Revenue	\$34,200		
Operating Costs	\$491,787	3,295	\$108,465
Net Income	(\$457,587)		
	-1338%		
<u>Medical Waste</u>			
Operating Revenue	\$996		
Operating Costs	\$0		
Net Income	\$996		
	100%		
<u>Consolidated Net Income</u>	\$859,161		
Other Revenue	8,395		
Other Costs	0		
Adjustment to Allowable Costs	1,000		
Grand Total Net Income	\$868,556		
Total Revenues	\$9,163,488	39,048	\$1,298,949
Profit Percentage	9.48%		

CITY OF TIGARD, OREGON

RESOLUTION NO. 01-54-A

A RESOLUTION OF THE TIGARD CITY COUNCIL FORMALIZING COUNCIL POLICIES AFFECTING SOLID WASTE RATE ACTIONS AND RESCINDING RESOLUTION NO. 96-03

WHEREAS, the Tigard City Council desires to manage solid waste rates in a manner which is consistent with the Solid Waste Management Ordinance (TMC 11.04); and

WHEREAS, the Solid Waste Industry and recycling programs and markets continue to rapidly change; and

WHEREAS, the Solid Waste Industry is being forced to change by multiple court challenges region-wide which question continuing the past rate practice of commercial rates subsidizing the residential service rates; and

WHEREAS, the Tigard City Council wishes to update its established policies for solid waste management to insure rates that are just, fair, reasonable and adequate to provide ongoing necessary service to the public; and

WHEREAS, the Tigard City Council desires to rescind Resolution No. 96-03 and adopt updated policies to meet the challenges faced in providing solid waste services for the citizens of Tigard.

NOW, THEREFORE, BE IT RESOLVED by the Tigard City Council that:

SECTION 1: The Tigard City Council hereby rescinds Resolution No. 96-03 in its entirety.

SECTION 2: The Tigard City Council will use the following policy when it reviews any changes to the solid waste rates in an effort to reduce the commercial subsidy of residential service rates and move to rates that are based on cost of service over a period of time:

SERVICE-TYPE RATE SUBSIDY POLICY

It is the desire of the Tigard City Council to eventually have solid waste rates be profitable by each service type (i.e., cart, container, drop box). Since there currently exists a commercial (container) subsidy of the residential (cart) rates and drop box rates, a phased-in reduction of the subsidy is anticipated within the next seven years. The subsidy will be reduced at increments acceptable to the City Council.

SECTION 3: The Finance Director, or designee, will use the following policy when computing the solid waste haulers' rate of return:

OPERATING MARGIN/RATE OF RETURN POLICY

The Operating Margin, or rate of return, will be calculated on the before tax net profit as a percentage of gross revenue. The "profit rate" review will be based on the aggregate pre-tax net income as a percentage of the aggregate gross revenues of the franchised haulers. The City Council shall consider an adjustment during rate review proceedings to provide a ten percent (10%) margin in the aggregate.

SECTION 4:

ANNUAL HAULERS' FINANCIAL REPORT REVIEW PROCEDURE

The Finance Director, or designee, will review the solid waste haulers' annual financial reports and gather any clarifications deemed necessary from the haulers or their designated representatives each year. After being satisfied that the reports are complete and properly filled out in accordance with the instructions provided, the Finance Director, or designee, will determine the "profit rate" by the aggregate pre-tax net income of the haulers as a percentage of aggregate gross revenues.

The Finance Director, or designee, will then report the results to the City Manager, the Mayor and City Council. If the aggregate profit rate falls below eight percent (8%) the City Council shall consider an adjustment to provide a ten percent (10%) margin. If the aggregate profit rate exceeds twelve percent (12%), the City Council shall consider an adjustment downward to provide a ten percent (10%) margin.

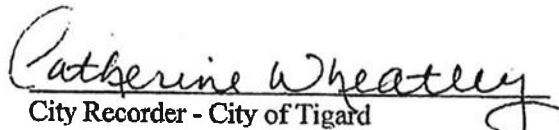
EFFECTIVE DATE: This resolution will be effective on and after October 1, 2001.

PASSED: This 25th day of September 2001.



Mayor - City of Tigard

ATTEST:



City Recorder - City of Tigard